SUPREME COURT, U. S.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1967.

No. 395

MOTOROLA, INC.,

Petitioner,

vs.

ESTHER MARION ARMSTRONG, EXECUTRIX,

Respondent.

REPLY BRIEF FOR PETITIONER.

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THE CHURCHILL-GILBERT PRINTING COMPANY, CHICAGO

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Respondent's brief in opposition points to the fact that the three patents in suit have expired, the patent licenses have terminated, and there is no other pending litigation involving the patents or licenses.

The '069 and the reissue patents which are involved in the petition, expired respectively, in 1950 and 1957. However, the District Court held that plaintiff is entitled to an accounting (Petition, App. B, p. 22a), so that the present litigation is very live and all questions presented by the petition will affect this issue of damages still to be resolved in this lawsuit.

The expiration of the patents and termination of the licenses, however, are not mentioned in the decision of the Court of Appeals, and these facts have no relation to

the conflict between the principles at issue here from that decision and the decisions of this Court, nor do they affect the public importance of the questions presented (Petition, p. 23). The decision of the Court of Appeals represents the law of that circuit for the issues decided, and inasmuch as the Seventh Circuit is one of the most active circuits in patent litigation, such decision, until reviewed by this Court, is in a status of direct conflict with the decisions of this Court as well as the decisions of other courts of appeals and district courts. The decision of the Court of Appeals will serve as a precedent affecting countless other pending and future patent infringement suits.

Respondent contends that there is no conflict between the decisions of this Court and the present decision of the Court of Appeals, but fails to meet, or in most instances, even to discuss the reasons which petitioner asserts for granting the Writ. For instance, respondent does not in any way meet the issue here of the expansion by the Court of Appeals of the two-element monopoly of combination claims 1 and 2 of the '069 and Reissue '660 patents to a one-element monopoly (1) for purposes of licensing, (2) for determination of infringement against receivers alone, and (3) for the change from the original two-element combination patent to a reissue which adds one-element receiver claims to the patent monopoly.

It is petitioner's position that the following contentions which respondent makes in the brief actually emphasize the conflicts asserted in the present petition as the basis for certiorari:

1. (Respondent's Brief, p. 11.) The Court of Appeals' decision is said to be "in full accord with the basic principles of infringement law and the authorities." However, no decision is specifically identified and discussed by respondent which in any way qualifies the principles of infringement law referred to by this Court in *Aro Manufac-*

turing Co., Inc. v. *Convertible Top Replacement Co., Inc.* (ARO I), 365 U. S. 336, *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U. S. 661, and *McClain* v. *Ortmayer*, 141 U. S. 419 (Petition, pp. 21, 22), which govern in this case the application of combination two-element (transmitter and receiver) claims to the manufacture and sale of only one element (receiver) of those claims.

2. (Respondent's Brief, pp. 12, 16.) From the premise (p. 12) that none of the decisions of this Court on misuse referred to by petitioner apply to the affairs of an individual inventor-licensor as contrasted to a manufacturer-licensor (p. 16), respondent completely ignores the principles of those decisions as applied to the question presented here of the expansion by contract of a two-element combination patent. Broadcasters had to take a license under the combination claims for the transmitter and its operation, and the receiver manufacturer had to take a license under those same combination claims for the manufacture and sale of a receiver alone in order to avoid a suit for patent infringement.

The Court of Appeals makes no mention of, let alone attempts to distinguish the Mercoid Cases.[1] Respondent in trying to distinguish those decisions of this Court accentuates the real conflict which petitioner has asserted which is between the *principles* enunciated in those cases and the decision of the Court of Appeals here, for none of the controlling principles to which we have referred suggest that this Court limited them to "a manufacturing business."

Respondent emphasizes still further the conflict in the application of the principles stated in the decisions of this Court and respondent's interpretation of the misuse ques-

1. *Mercoid Corporation* v. *Mid-Continent Investment Company*, 320 U. S. 661 (1944).

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Company*, 320 U. S. 680 (1944).

tion presented here, in referring in the footnote on page 8 of the brief to the receiver patent '066 in the receiver licenses, and the transmitter patent '068 in the transmitter licenses, for these one-element patents do not excuse the misuse. In *Ethyl Gasoline Corporation* v. *United States* (1940), 309 U. S. 436, this Court stated at p. 459 that "The patent monopoly of one invention may no more be enlarged for the exploitation of a monopoly of another, . . . than for the exploitation of an unpatented article, . . . or for the exploitation or promotion of a business not embraced within the patent."

3. (Respondent's Brief, pp. 12, 19, 22.) Respondent contends (Brief p. 12) that "The reissue was allowed in order to protect the invention that was intended to be covered and secured by the original patent and such reissue was in precise accord with the law as enunciated by this Court in *U. S. Industrial Chemicals, Inc.* v. *Carbide & Carbon Chemicals Corp.* (1942), 315 U. S. 668." The "invention" of the original Armstrong patent was recited in the *claims*, and the Seventh Circuit Court of Appeals recognized (Petition, App. A, p. 10a) that the claims in the original patent covered the transmitter and receiver in combination whereas the newly added "claims 4, 5 and 6 cover a *receiver*, or a method of *reception* for receiving an FM wave predistorted as provided in claims 1, 2 and 3." (Emphasis added.) Respondent also acknowledges this fact (Brief pp. 19, 22). But, as we pointed out in our petition (p. 17), the omission of the transmitter (claims in Petition, App. D, pp. 28a-30a), or the steps of generating and transmitting a wave which were essential to the practice of the system originally claimed corresponded to "the omission from a reissue patent of one of the steps or elements prescribed in the original, thus broadening the claims to cover a new and different combination, [which] renders the reissue void, . . ." *U. S. Industrial Chemicals, supra,* at page 678. This Court stated that it had "uniformly held" this prin-

ciple, and this underscores the conflict with the decision of the Court of Appeals sustaining the Armstrong Reissue '660 patent. However, respondent makes no reference whatsoever to this governing principle.

4. (Respondent's Brief, pp. 17, 18.) Respondent contends again (Petition p. 12) that petitioner has quoted language out of context in ARO I (Brief p. 17). Respondent interprets that decision as determining the distinction between "repair" and "reconstruction" of a patented combination in the replacement of worn out fabrics in a patented convertible top, and apparently dismisses such decision as irrelevant.

There is no such factual situation, however, in decisions[2] of district courts and of courts of appeals wherein ARO I, has been cited for the principle that "the claims made in the patent are the sole measure of the grant, . . ." (ARO I, p. 339). Furthermore, the principle stated by this Court at page 344 of ARO I that, "if anything is settled in the patent law, it is that the combination patent covers only the totality of the elements in the claim and that no element, separately viewed, is within the grant." has been referred to in decisions[3] of both district courts and courts

2. *Reiner et al.* v. *Leon Co.*, 324 F. 2d 648, 651 (2nd Cir. 1963).
Neff Instrument Corporation v. *Cohu Electronics, Inc.*, 298 F. 2d 82, 88 (9th Cir. 1961).
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American Infrared Radiant Co. v. *Lambert Industries, Inc.*, 238 F. Supp. 176, 183 (D. C. Minn. 1965).

3. *Bullard Company* v. *General Electric Company*, 348 F. 2d 985, 990 (4th Cir. 1965).
Pierce v. *Aeronautical Communications Equipment, Inc.*, 307 F. 2d 790, 795 (5th Cir. 1962).

of appeals where the facts in no way related to "repair" and "reconstruction."

These decisions evidence again the clear-cut conflict not only between the Court of Appeals for the Seventh Circuit in the present case and the decisions of this Court, but between all of the other courts identified in the footnotes and the Seventh Circuit. These principles enunciated by this Court in ARO I, apply to all of the three questions involved in the present petition, for each concerns the determination of the scope of combination patent grants adjudicated in this case and at issue here. Respondent's reference to ARO I which ignores these principles accentuates the conflicts which petitioner discusses, and the need for supervisory review of the decision of the Court of Appeals by this Court.

Hewitt-Robins, Inc. v. *Link-Belt Company*, 371 F. 2d 225, 229 (7th Cir. 1966). (By a different panel than that which decided the present case.)

Blumcraft of Pittsburgh v. *Ladd*, 238 F. Supp. 648, 649 (D. C. D. C. 1965).

Brooks et al. v. *Reynolds*, 239 F. Supp. 984, 986 (D. C. D. C. 1965).

CONCLUSION.

For these reasons, supplementing those in the petition, grant of certiorari is fully warranted.

Respectfully submitted,

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